

SECOND DEED OF TRUST

THIS SECOND DEED OF TRUST, made this 2nd day of January, 1975, by and between LEO J. DAMELE and ELLEN M. DAMELE, his wife, of the County of Eureka, State of Nevada, Trustors; FIRST AMERICAN TITLE COMPANY OF NEVADA, as Trustee; and GEORGE L. WRIGHT and LAURA F. WRIGHT, of Eureka, Nevada, as Beneficiaries:

W I T N E S S E T H:

That Trustors hereby grant, transfer and assign to the Trustee in trust, with power of sale, all of the following described real property situate in the County of Eureka, State of Nevada, more particularly described as follows:

See Exhibit A attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors, in trust, to secure the performance of the following obligation and payment of the following debt:

ONE: Payment of an indebtedness evidenced by a certain Promissory Note of even date herewith, in the principal amount of \$63,500.00, with interest thereon, expenses, attorney fees and other payments therein provided, executed and delivered by the Trustors payable to the Beneficiaries or order, and any and all extensions or renewals thereof.

TWO: Payment of such additional amounts as may be hereinafter loaned by the Beneficiaries to the Trustors or any successor in interest of the Trustors, with interest thereon, expenses and attorney fees, and any other indebtedness or obligations of the Trustors to the Beneficiaries.

THREE: Payment of all other sums with interest thereon becoming due or payable under the provisions hereof to either Trustee or Beneficiaries.

FOUR: Payment, performance and discharge of each and every obligation, covenant, promise and agreement of Trustors

herein or in said Note contained and of all renewals, extensions, revisions and amendments of the above-described Note and any other indebtedness or obligation secured hereby.

To protect the security of this Deed of Trust, it is agreed as follows:

1. The Beneficiaries have the right to record notice that this Deed of Trust is security for additional amounts and obligations not specifically mentioned herein but which constitute indebtedness or obligations of the Trustors for which the Beneficiaries may claim the Deed of Trust as security.

2. The Trustors shall: 1) properly care and keep the property herein described and all buildings, fences, corrals, stock watering facilities, dams, ditches, diversions, wells, pumping equipment, and all other structures, improvements and fixtures thereon in at least the condition, order and repair existing on the date of this Deed of Trust, subject to reasonable wear and tear and replacement, substitution or improvements as herein provided; 2) not remove or demolish all or any portion of any buildings, fences, corrals, watering troughs, windmills, other fixtures or improvements now situate thereon or hereafter placed thereon unless the same is replaced, improved or substituted therefor by a like item of at least equal value, quality and use; 3) not commit or permit any waste of the land, buildings, improvements and fixtures on said premises; 4) farm, maintain and irrigate the meadow and pasture areas of the premises for which water rights exist in at least the same husbandlike manner as was being applied thereto prior to the date of this Deed of Trust; 5) properly maintain, put to beneficial use and utilize all wells and water rights appurtenant to or used in connection with any portion of the premises as of the date of this Deed of Trust so as not to allow any water rights to be jeopardized, diminished or lost; 6) graze and manage the grazing areas of the lands subject to this Deed of Trust in the manner recognized as good

range management in the grazing unit or area in which the lands subject hereto are located; 7) apply for active use and utilize or take non-use of all rights, privileges, preferences, demands, licenses, permits and leases to graze livestock upon the public lands based upon all or any portion of the lands subject to this Deed of Trust and to do all other things reasonably necessary to prevent the loss of, or permanent reduction in such grazing rights, privileges, preferences, demands, licenses, permits and leases through the acts or omissions of Trustors. The Trustors shall not do nor permit to be done, by act or omission, anything which shall impair, lessen, diminish, devalue or deplete the security hereby given.

3. The following covenants, Nos. 1, 2 - (full insurable value of improvements), 3, 4 - 8%, 5, 6 - (which covenant is deemed to include and apply to all conditions, covenants and agreements contained herein in addition to those adopted by reference, and to any and all defaults or deficiency in performance of this Deed of Trust between the Trustors and Beneficiaries which is hereby incorporated by reference as though fully set forth and made a part hereof), 7 - (reasonable), and 8 and 9 of N.R.S. 107.030, are hereby adopted and made a part of this Deed of Trust.

4. All payments secured hereby shall be paid in lawful money of the United States of America.

5. The Beneficiaries and any persons authorized by the Beneficiaries shall have the right to enter upon and inspect the premises at all reasonable times.

6. In case of condemnation of the property subject hereto, or any part thereof, by paramount authority, all of any condemnation award to which the Trustors shall be entitled less costs and expenses of litigation is hereby assigned by the Trustors to the Beneficiaries, who are hereby authorized to receive and receipt for the same and apply such proceeds as received toward the payment of the indebtedness hereby secured, whether due or not.

7. Trustors hereby give to and confer upon Beneficiaries the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of the property, RESERVING UNTO TRUSTORS, HOWEVER, the right, prior to any default by Trustors in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiaries may at any time with or without notice, either in person, by agent, or by a receiver to be appointed by a Court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in the Beneficiaries own name due for or otherwise collect such rents, issues and profits, (including those past due and unpaid), and apply the same less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiaries may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

8. If default be made in the payment of the obligation, note or debt secured hereby or in the performance of any of the terms, conditions or covenants of this Second Deed of Trust, or the payment of any sum payable hereunder, or default in payment of any monies due on account of other obligations secured by a Deed or Deed of Trust encumbering the real property the subject of this Second Deed of Trust securing this Note and prior in right to this Second Deed of Trust securing this Note, Beneficiaries may declare all notes, debts and sums secured hereby or payable hereunder immediately due and payable although the date of maturity has not arrived.

9. The Promissory Note secured by this Second Deed of Trust is made a part hereof as if fully herein set out.

10. The commencement of any proceeding under the bankruptcy or insolvency laws by or against any of the Trustors, or against any of the Makers of the Note secured hereby; or the appointment of a receiver for any of the assets of any Trustors hereof or any Makers of the Note secured hereby; or the making by any of the Trustors or any Makers of the Note secured hereby of a general assignment for the benefit of creditors, shall constitute a default under this Second Deed of Trust.

11. Default under any other Deed of Trust, mortgage, contract, or other instrument, which is, or which creates, a lien, encumbrance, charge or interest of any nature on or in any of the property subject hereto having priority over any lien, right or interest created or existing under this Deed of Trust, or failure to pay or discharge when due any obligation which is secured by, or which constitutes a lien, encumbrance, charge or interest of any nature on or in any property subject hereto having priority over any lien, right or interest created or existing under this Second Deed of Trust, whether such obligations or the lien thereof is created by writing or otherwise, shall constitute a default under this Deed of Trust.

12. To the extent permitted by the laws of the State of Nevada, Trustors agree to pay any deficiency arising from any cause after application of the proceeds of any sale held in accordance with the provisions hereof and agree to pay all costs and reasonable attorney's fees incurred in any action brought to collect said deficiency.

13. Any notices to be given Trustors shall be given by registered or certified mail to Trustors at the address set forth near the signature on this Second Deed of Trust or at such substitute address as Trustors may designate in writing duly delivered to Beneficiaries and Trustee, and such address as set forth in

this Second Deed of Trust, or such substitute address as is designated in writing duly served as aforesaid, shall be deemed conclusively to be the correct address of Trustors for all purposes in connection with this said Second Deed of Trust, including, but not limited to, giving of notices permitted or required by statute to be mailed to Trustors.

14. In the event of a loss covered by a fire insurance policy, then the Trustors shall have the option to use the proceeds of such insurance toward the repair, rebuilding or replacement of the damaged or destroyed property under the following procedure:

1. Within sixty days after the loss, give written notice to the Beneficiaries outlining the contemplated work and estimated cost thereof, and guaranteeing that the work will be completed within a reasonable time.
2. The insurance proceeds shall be escrowed with FIRST AMERICAN TITLE COMPANY OF NEVADA, with instructions to apply the same on the work as the same is completed.
3. The escrow instructions shall be executed by the Beneficiaries and Trustors.
4. The Trustors shall pay all charges of escrow, and the balance of the work if said insurance proceeds are not sufficient.

15. The rights and remedies herein granted shall not exclude any other rights or remedies granted by law, and all rights or remedies granted hereunder, or permitted by law, shall be concurrent and cumulative.

16. All the provisions of this instrument shall inure to the benefit of and bind the heirs, executors, successors and assigns of the parties hereto as the context permits. All obligations of each Trustor hereunder shall be joint and several.

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17. It is expressly agreed that the trusts created hereby are irrevocable by the Trustors.

18. The Trustors hereby covenant and agree that neither the acceptance nor existence, now or hereafter, of other security for the indebtedness secured hereby, or the full or partial release or discharge thereof, shall operate as a waiver of the security of this Deed of Trust, nor shall this Deed of Trust, nor its satisfaction nor reconveyance made hereunder operate as a waiver of any such other security now held or hereafter acquired.

This Deed of Trust is a Second Deed of Trust junior in priority to that certain Deed of Trust entered into the 18th day of November, 1974, and securing a Promissory Note of even date thereof, in the sum of THREE HUNDRED THIRTY THOUSAND DOLLARS (\$330,000.00) wherein LEO J. DAMELE and ELLEN M. DAMELE, his wife, are the Trustors, FIRST AMERICAN TITLE COMPANY OF NEVADA is the Trustee, and ED FRIESEN and ELSIE FRIESEN, his wife, are the Beneficiaries.

The Trustors herein agree to abide by all of the covenants and conditions contained in the First Deed of Trust, to the end that the same will not become in default by reason of Trustors' action or conduct violating the covenants of said First Deed of Trust, and should Trustors violate any of the terms and conditions of the First Deed of Trust, such violation shall be a default of this Deed of Trust.

The loss payable clauses on the insurance policies to be maintained hereunder shall name the beneficiaries as their interest may appear, all subject to the right to use said funds for reconstruction and rebuilding as contained in the First Deed of Trust, as follows:

ED FRIESEN and ELSIE FRIESEN, his wife  
GEORGE L. WRIGHT and LAURA P. WRIGHT, his wife.

IN WITNESS WHEREOF, the Trustors have hereunto set their hands the day and year first hereinabove written.

LAW OFFICES  
EVANS & BILYBU  
PROFESSIONAL CENTER  
ELKO, NEVADA 89801

Leo J. Damele  
LEO J. DAMELE  
Ellen M. Damele  
ELLEN M. DAMELE

STATE OF NEVADA )  
COUNTY OF ELKO ) ss.

On this 2nd day of January, 1975, personally appeared before me, a Notary Public, LEO J. DAMELE and ELLEN M. DAMELE, his wife, who acknowledged to me that they executed the foregoing Deed of Trust.

*Shirley J. Corbett*  
NOTARY PUBLIC



EXHIBIT A

PARCEL I

TOWNSHIP 31 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 8: S1/2 S1/2  
Section 9: SW1/4  
Section 10: S1/2 NW1/4  
Section 16: W1/2 NW1/4  
Section 17: N1/2; Lots 1 & 2 of SE1/4

EXCEPTING from Lots 1 and 2 in Section 17 all petroleum, oil, natural gas and products derived therefrom as reserved by SOUTHERN PACIFIC LAND COMPANY in Deed to F. M. HART and C. E. GANN recorded October 5, 1948, in Book 23 of Deeds at Page 488, Eureka County, Nevada, records.

EXCEPTING from Sections 8, 9, 10 and 17, those parcels conveyed to the CENTRAL PACIFIC RAILWAY COMPANY and the WESTERN PACIFIC RAILWAY COMPANY as described in documents recorded in the office of the County Recorder of Eureka County, Nevada.

TOWNSHIP 31 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 36: E1/2 NW1/4

PARCEL II

TOWNSHIP 31 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 7: That portion of Lot 3 southerly of a line parallel with and 200 feet distance southerly of the center line of the Central Pacific Railway Company's Railroad as now constructed;  
Lot 4;  
SE1/4 SW1/4;

That portion of the S1/2 SE1/4 southerly of a line parallel with and 200 feet distance southerly of the center line of the Central Pacific Railway Company's Railroad as now constructed.

Section 9: That portion of the E1/2 Southeasterly of a line parallel with and 200 feet distance southeasterly of a center line of the Central Pacific Railway Company's Railroad as now constructed.

Section 11: That portion southeasterly of a line parallel with an 200 feet distant southwesterly of the center line of the Central Pacific Railway Company's Railroad as now constructed.

Section 15: All  
Section 17: Lots 3, 4, 5, 6, 7 and 8  
Section 21: All

Section 27: W1/2

EXCEPTING from Parcel II all petroleum, oil, natural gas and products derived therefrom as reserved in Deed executed by SOUTHERN PACIFIC COMPANY to MARTIN T. MAGNUSON recorded April 23, 1959, in Book 25 of Deeds at Page 290, Eureka County, Nevada, records.

PARCEL III

TOWNSHIP 31 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 36: W1/2 NE1/4

TOWNSHIP 31 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 4: S1/2 SW1/4

Section 6: SW1/4 NE1/4; SE1/4 NW1/4  
Lots 1, 2, 3, 4 and 5

Section 8: N1/2; SE1/4

TOGETHER WITH all buildings and improvements situate thereon.

TOGETHER WITH all water, water rights, rights to the use of water, dams, ditches, canals, pipelines, reservoirs, wells, and all other means for the diversion or use of water appurtenant to the said property, or any part thereof.

TOGETHER WITH all mineral rights, oil or gas owned by the Sellers herein lying on, in or over the above-described property.

TOGETHER WITH all existing easements and rights of way benefiting the above-described real property, including, but not limited to, all easements and rights of way for ingress and egress to said property.

TOGETHER WITH all range rights and grazing rights, and in particular, but without limitation thereto, all rights to graze livestock upon the Public Domain under what is known as the Taylor Grazing Act, used or enjoyed in connection with said property.

TOGETHER WITH any and all rights in any range improvement project or cooperative agreements constructed on the public domain in cooperation with the Bureau of Land Management, and all of the Grantors' right in and to any and all other corrals, improvements or structures located on the public domain.

SUBJECT TO all road and utility easements and any and all other easements and rights of way of record.

TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

RECORDED AT THE REQUEST OF First American Title Co. of Nev.  
on Jan. 3 1975 at 38 min. past 2 P. M.  
Book 50 of OFFICIAL RECORDS, page 404-413  
EUREKA COUNTY, NEVADA  
FILE NO. 59567